



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

June 13, 2023

Honorable Denise L. Cote
United States District Judge
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, New York 10007

**Re: United States v. James Velissaris,
22 Cr. 105 (DLC)**

Dear Judge Cote:

The Government writes in support of a restitution order in the amount of \$126,281,371.02, to be paid to two victims in this case: the Diversified Alpha Fund (“DAF”) and the Volatility Alpha Fund (“VAF”) (together, the “Funds”). The defendant objects to the entirety of both requests, arguing that:

- (1) the crime of which the defendant was convicted is not included in the applicable restitution statutes;
- (2) even if the statutes were applicable, the number of victims and complex issues of fact in this case would make restitution impracticable under the Mandatory Victims Restitution Act (18 U.S.C. § 3663A(b)(1));
- (3) any fees associated with the Funds’ participation in and/or compliance with the SEC’s civil order/investigation, or the Fund’s own investigation, are not recoverable;
- (4) the calculation of the amount of overpayments is unreliable;
- (5) the victims will be made whole by settlements in related civil matters; and
- (6) Mr. Velissaris cannot be held responsible for the legal fees of third parties.

For the reasons set forth below, these arguments are without merit, and restitution of \$126,281,371.02 should be ordered.

Procedural History

As the Court is aware, on November 21, 2022, the defendant pleaded guilty to committing securities fraud between 2018 and 2021, in violation of 15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2. The plea agreement that the defendant signed included an agreement “to make restitution in an amount ordered by the Court, pursuant to Title 18, United States Code, Sections 3663, 3663A, and 3664.” (Plea Agmt. 2.) During the plea

proceeding, the Court detailed the possible consequences of the defendant's plea and asked "And there may also be requirements of forfeiture and restitution. Do you understand that?" The defendant responded, "yes, your Honor." (Plea. T. 9.)

On April 7, before determining the defendant's sentence, the Court noted that "[a]t one point, there was some discussion, I think, of restitution in the amount of \$259 million," and stated that it would defer restitution pursuant to 18 U.S.C. § 3664(d)(5) "to give the parties time to hopefully reach agreement with respect to the amount of restitution." (Sent. T. 43-44.) The Court then heard the parties' arguments on the appropriate sentence for the defendant. Defense counsel argued, in part, that:

In the financial fraud context in particular, as your Honor knows, a severe or a substantial period of incarceration is not needed to promote general deterrence. Here, there is a \$22 million forfeiture order and there will likely be millions of dollars in restitution that Mr. Velissaris will have to comply with. This forfeiture amount alone serves as a general deterrent to anyone considering this type of activity that it's not worth it, as any alleged ill-gotten gains will be taken away.

(Sent T. 50.) After considering this as well as other defense arguments, the Court sentenced the defendant primarily to 180 months' imprisonment.

Victims' Restitution Amounts

The amounts of restitution due to each victim are set forth below. These are the same amounts that were detailed in the parties' June 2 letter.

Diversified Alpha Fund

The DAF alleges losses of \$59,152,245.00. The supporting documentation is attached as Exhibit A through G. The details are summarized below.

\$46,482,819.00	overpayments to former shareholders who fully redeemed their shares in the DAF at inflated net asset values
\$7,485,202.00	excess management fees paid by DAF to Infinity Q Capital Management ("IQCM")
\$850,000.00	payments to Russell Investments for liquidation of DAF's assets
\$1,573,882.00	payments to Alvarez and Marsal Valuation Services for reevaluation of DAF's historical NAVs
\$2,288,416.00	payments to Cornerstone Research for distribution of DAF's assets to shareholders
\$450,000.00	fees to Bloomberg for the BVAL license used during the reevaluation

\$21,926.00 attorneys' fees for restitution application¹

Volatility Alpha Fund

The VAF alleges losses of \$67,129,126.02. The supporting documentation is attached as Exhibit H.² The details are summarized below.

\$26,573,945.89	overpayments to IQCM for management fees and performance allocations
\$18,880,319.12	overpayments to Limited Partners who withdrew funds based on inflated NAVs
\$20,235,496.29	legal fees for Velissaris's criminal defense up until plea and sentencing
\$516,115.00	legal fees for Scott Lindell
\$79,182.67	legal fees for other IQCM employees who were interviewed by the Government
\$844,067.05	payments to Markit to revalue VAF's historical investment portfolio

Applicable Law

Under the Victim and Witness Protection Act ("VWPA"), *see* 18 U.S.C. § 3663, a district court may order restitution to victims who suffer a pecuniary harm as a result of certain offenses, including offenses against property committed by fraud or deceit. The VWPA also provides that "[t]he court may also order restitution in any criminal case to the extent agreed to by the parties in a plea agreement." 18 U.S.C. § 3663(a)(3). The Second Circuit has held that an agreement by the defendant to pay restitution "determined to be due an owing . . . as directed by the Court" is sufficient to authorize the Court to calculate and impose restitution as part of the judgment of conviction. *United States v. Shaw*, 446 Fed. App'x 357, 358 (2d Cir. 2011).

Under the VWPA, a "victim" means "a person directly and proximately harmed as a result of the commission of an offense," including, in the case of an offense that involves as an element a "scheme" or "pattern of criminal activity," "any person directly harmed by the defendant's criminal conduct in the course of the scheme . . ." 18 U.S.C. § 3663(a)(2). In the context of the Mandatory Victims Restitution Act, which contains similar language, the Second Circuit has found direct cause to be established where a defendant's action was the "but for" cause of the harm. *United States v. Marino*, 654 F.3d 310, 322-23 (2d Cir. 2011). As to proximate cause, a court must consider "whether the harm alleged has a sufficiently close connection to the conduct at issue," and the requirement may be satisfied where the harm was

¹ DAF's April 6, 2023 letter stated that the attorneys' fees were \$18,874. However, as communicated by DAF's counsel and reflected in the attached invoice, the correct amount is \$21,926.

² As with the June 2 letter, the Government respectfully requests that Exhibit H be filed under seal, as it contains sensitive financial information of VAF and its investors.

“foreseeable.” *Roberts v. United States*, 572 U.S. 639, 645 (2014) (internal quotation marks omitted); *accord United States v. Williams*, 811 F. App’x 690, 691 (2d Cir. 2020).

In the case of an offense resulting in loss of property, a victim is entitled to the return of the property or, if the return of the property is impossible, impractical, or inadequate, “an amount equal to the greater of (i) the value of the property on the date of the damage, loss, or destruction, or (ii) the value of the property on the date of sentencing, less the value . . . of any part of the property that is returned.” 18 U.S.C. § 3663(b)(1). In addition, a defendant may be ordered to “reimburse the victim for lost income and necessary . . . other expenses related to participation in the investigation or prosecution of the offense or attendance at proceedings related to the offense.” 18 U.S.C. § 3663(b)(4); *see also United States v. Afriyie*, 27 F.4th 161, 173-74 (2d Cir. 2022) (holding, in the context of the MVRA, that “other expenses” include “attorneys’ fees [a victim] was required to incur to advance the investigation or prosecution of the offense” and “[t]he expenses a victim incurs while preparing for and participating in restitution proceedings”).

Discussion

The defendant objects to the Funds’ claims, arguing that his crime of conviction does not permit restitution, that the fees claimed by the Funds are invalid in various ways, and that the ways that the Funds calculated their claims are unreliable. These arguments are without merit, and should be rejected.

The Defendant Agreed to Pay Restitution In His Plea Agreement

The defendant argues that the Court cannot order restitution because the crime of which he was convicted is not included in the applicable restitution statutes. The Court need not decide whether Title 15 securities fraud falls under the applicable restitution statutes, because the defendant expressly agreed in his plea agreement “to make restitution in an amount ordered by the Court, pursuant to Title 18, United States Code, Sections 3663, 3663A, and 3664.” This includes 18 U.S.C. § 3663(a)(3), which states that the Court may “order restitution in any criminal case to the extent agreed to by the parties in a plea agreement.” As discussed, this language is sufficient under the VWPA to authorize the Court to impose restitution. *See Shaw*, 446 Fed. App’x at 358. The Court assured itself that the defendant understood this part of his agreement during the thorough and lengthy plea colloquy. (Plea. T. 9.) The sentencing transcript shows that the defendant understood full well that he was agreeing to pay restitution, and indeed argued that his restitution obligations should result in *less* prison time. (Sent. T. 50.)

In short, the defendant knowingly and intelligently agreed to be bound by the restitution statutes, and he cannot now argue otherwise.

Restitution is Practicable and the Calculations are Reliable

The defendant argues that “the number of victims and complex issues of fact in this case” make restitution “impracticable,” referencing 18 U.S.C. § 3663A(b)(1). The defendant does not elaborate further.

As a preliminary matter, the defendant appears to be referencing Section 3663A(c)(3) rather than Section 3663A(b)(1). Section 3663A(c)(3) provides that the MVRA shall not apply if the number of identifiable victims is so large as to make restitution impracticable,” or “determining complex issues of fact related to the cause or amount of the victim’s losses would complicate or prolong the sentencing process to a degree that the need to provide restitution to any victim is outweighed by the burden on the sentencing process.” 18 U.S.C. § 3663A(c)(3).

Here, there are only two victims who have claimed restitution: the DAF and the VAF. Two victims is far from impracticable. And the Government does not believe that determining restitution imposes such a burden on the sentencing process that it outweighs the need to provide restitution to any victim. Indeed, the victims were able to set forth their claims in just a few dozen pages. The Government therefore submits that determining restitution is entirely appropriate here. *See, e.g., United States v. Catoggio*, 326 F.3d 323, 328 (2d Cir. 2003) (holding that where district court did not consider restitution process too burdensome, it did not commit plain error in proceeding with restitution in “admittedly complex case”).

None of the Fees Arose from the SEC’s Investigation

The defendant claims that “any fees associated with the Funds’ participation in and/or compliance with the SEC’s civil order/investigation, or the Fund’s own investigation, are not recoverable,” without specifying to which fees he refers. But no such fees were included in either VAF’s or DAF’s requests. Given this, the defendant’s argument is meritless.

On June 8, 2023, the Government asked VAF to confirm that the expenses noted in its May 30 letter arose solely from the criminal investigation and prosecution, citing *United States v. Afriyie*, 27 F.4th 161 (2d Cir. 2022). VAF responded:

I can confirm that the attorneys’ fees included in the hedge fund’s restitution request are only those that relate to the criminal prosecution. We were mindful of that limitation and reviewed the invoices to remove from the request any fees that were exclusively for the SEC investigation. (Some fees that were necessary for both were included in the request.) No fees were included for the fund’s own investigation.

As for the DAF’s request, it specifically noted in its March 30 letter that was not seeking restitution for attorneys’ fees incurred while responding to SEC requests, due to *Afriyie*. (Ex. A at 5 n.18). Therefore, the Funds’ requests for attorneys’ fees are recoverable.

It is unclear whether the defendant is also challenging fees paid to service providers that were retained in the spring of 2021 to help liquidate the Funds’ assets, reevaluate its historic net asset values (“NAVs”), and distribute assets to shareholders. As set forth in DAF’s March 30 letter, on February 19, 2021, after discovering the defendant’s fraud, IQCM informed DAF that it was unable to calculate a current NAV (“net asset value”) for the fund. DAF then applied with the SEC to suspend shareholder redemptions, and the SEC approved the application in an order that required DAF to create a plan for an orderly liquidation of DAF assets; develop a distribution plan to make appropriate payments to shareholders; and engage an independent third

party to assist in determining the fair value of the Fund's OTC positions, including re-evaluating the historical valuations of the Fund. (Ex. A, at 2.)

The fees that DAF paid to service providers were:

- RIIS: assisted in the liquidation of DAF's assets, once the SEC ordered DAF to liquidate the Fund assets in February 2021;
- Alvarez & Marsal: reevaluated the DAF's historic net asset values ("NAVs") to determine when and to what extent DAF's NAV was overstated;
- Cornerstone Research: assisted in distributing DAF's assets to shareholders.
- Bloomberg: fees for a BVAL license, used during the reevaluation of DAF's NAVs;

To the extent the defendant is challenging DAF's fees because he argues they were "associated with" DAF's "compliance with the SEC's civil order/investigation," he misunderstands the law. *Afriyie* and *Lagos* held that victims could not recover for expenses associated solely with SEC investigations or internal investigations. But the fees at issue here were not associated with any investigation. Rather, these fees were associated with the wind-down process for DAF – a wind-down that was necessitated by the defendant's fraud. The SEC's Investment Management Division had input into this process, as can be seen from the publicly-filed documents referenced in DAF's letter. (Ex. A, at n.2, n.5.) But SEC IM's involvement in the wind-down does not make it a part of SEC Enforcement's civil investigation, and it is only fees associated with the latter that are barred by *Afriyie*, which was interpreting the MVRA provision that covered "expenses incurred during participation in the investigation or prosecution of the offense." The wind-down fees claimed by DAF are another category entirely, which *Afriyie* does not discuss: they are losses that were directly and proximately caused by the defendant's fraud. (Ex. A, at 6-7).

VAF also seeks reimbursement for the fees it paid to Markit to reevaluate VAF's historic NAVs. VAF argues that it is entitled to these fees because the U.S. Attorney's Office used Markit's revised NAV in its indictment, and the VAF used Markit's calculations to calculate the restitution amounts set forth in its letter.

The Victims' Calculations Are Reliable

The defendant argues that the calculation of the amount of overpayments is "unreliable," without explaining why. The process by which DAF arrived at its calculations is explained above: reevaluation of the NAVs by Alvarez & Marsal, then calculation of overpayments by Cornerstone. VAF had IHS Markit, an independent third party, reevaluate its NAVs, and then had NERA calculate its overpayments. (Ex. H, at 1-2). These calculations were performed by reputable companies, and the defendant has not explained why he thinks their calculations were unreliable. In any event, in arriving at a restitution figure, the Court need only make a "reasonable estimate" of the victims' losses due to the fraud. *United States v. Milstein*, 481 F.3d 132, 137 (2d Cir. 2007).

The Defendant Has Not Shown that the Restitution Amount Should Be Reduced By Recoveries in Civil Litigation

The defendant argues that restitution should not be ordered because “the victims will be made whole by settlements in related civil matters.” The defendant does not cite any factual support for this assertion, which seems to be pure speculation about what may occur in the future.

This is not how restitution works. If at some point in the future the victims receive compensatory damages for the same loss in civil proceedings, then their restitution recovery may be reduced accordingly. *See* 18 U.S.C. § 3664(j)(2); *see also United States v. Smathers*, 879 F.3d 453, 459 (2d Cir. 2018) (discussing cases where defendants made post-judgment motions under 3664(j) to reduce their remaining restitution obligations). But that reduction is not made *ex ante* on the defendant’s unsupported speculation.

The Victims Are Entitled to Restitution for the Legal Fees of Third Parties

The defendant argues that restitution should not include legal fees “of third parties,” presumably referring to VAF’s claim for the legal fees of Scott Lindell and other IQCM employees who were interviewed by the Government. But the Second Circuit has held that the legal fees of third parties are recoverable in restitution, if those fees were incurred during the criminal investigation or prosecution. *Afriyie*, 72 F.4th at 164, 173 (holding that fees associated with the preparation of trial witnesses for a criminal trial were recoverable). And, as noted above, VAF affirmed that it reviewed invoices and removed any fees that were exclusively for the SEC investigation. The claimed fees are therefore recoverable under clear Second Circuit law.³

³ While the defendant does not appear to be challenging the claim for attorney’s fees incurred in preparing the restitution application, any such claim would similarly be without merit. The Second Circuit has held that legal fees incurred during the post-verdict restitution proceedings are recoverable. *Afriyie*, 72 F.4th at 173-74.

Conclusion

The defendant's arguments are meritless, and a restitution order for the amounts requested by the Funds is appropriate.

Respectfully submitted,

DAMIAN WILLIAMS
United States Attorney

by: _____ /s/
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EXHIBIT A



ATTORNEYS AT LAW

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March 30, 2023

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1 Saint Andrew's Plaza
New York, NY 10007

Re: United States v. James Velissaris, 22 Cr. 105 (DLC)

Dear AUSA Graham:

We represent the Special Litigation Committee ("SLC") of the Board of the Trust for Advised Portfolios ("TAP"), of which the Infinity Q Diversified Alpha Fund (the "Fund") is a series portfolio. On December 20, 2021, the Board of TAP approved the creation of the SLC to investigate and pursue on behalf of the Fund any potential claims against other parties arising from the massive valuation fraud perpetrated by defendant James Velissaris.¹ Any funds that are recovered through claims pursued by the SLC on behalf of the Fund will ultimately be distributed to the Fund's shareholders.

The Fund was a victim of the securities fraud offense to which Mr. Velissaris pled guilty in the above-captioned case. As a direct and proximate result of Mr. Velissaris' fraudulent mismarking scheme, the Fund incurred extensive pecuniary damages described below. The SLC, on behalf of the Fund, requests that the Government seek restitution to compensate the Fund for its losses when Mr. Velissaris is sentenced on April 7, 2023.

Background

The Fund was formed in September 2014 as a series of TAP, a multiple series Delaware statutory trust structured as an open-end management investment company registered under the Investment Company Act of 1940. The Fund's portfolio consisted primarily of cash and a variety of equity and over-the counter ("OTC") derivative positions. From the Fund's inception, Infinity Q Capital Management, LLC ("IQCM"), a registered investment adviser based in New York, New York, advised and was principally responsible for the day-to-day management of the Fund. Mr. Velissaris was the founder and Chief Investment Officer ("CIO") of IQCM and exercised control over IQCM until he was removed on or about February 21, 2021. Under the Investment Advisory

¹ See TAP, *Special Litigation Committee Announcement* (Dec. 28, 2021), available at: <https://www.infinityqfundliquidation.com/cases/infinity%20q/2023.03.01%20slc%20announcement.pdf>.

March 30, 2023

Page 2

Agreement between the Fund and IQCM dated September 23, 2014, the Fund was required to pay IQCM an annual management fee of 1.70% of the Fund's average daily net assets.

As alleged in the Indictment, and as Mr. Velissaris admitted at his guilty plea, between at least 2018 and February 2021, Mr. Velissaris engaged in a fraudulent scheme to mismark the value of the Fund's OTC derivative positions. *See* Indictment (ECF 1), at ¶¶ 1, 25-33; Plea Tr. (Nov. 21, 2022), at 13-15. Mr. Velissaris perpetrated the mismarking scheme in order to materially inflate the net asset value ("NAV") of the Fund as reported to investors, to attract and retain investments in the Fund, and to increase the management fees paid by the Fund to IQCM and, in turn, Mr. Velissaris' own compensation. *See* Indictment ¶ 1.

On February 18, 2021, based on information that the U.S. Securities and Exchange Commission ("SEC") shared with IQCM, IQCM informed the Fund that Mr. Velissaris had been manipulating certain parameters in the third-party pricing model used to value the Fund's assets, which had affected the value of the Fund's OTC derivatives.² The next day, IQCM informed the Fund that it was unable to verify the reasonableness of the previously reported value of the Fund's OTC positions and, therefore, was unable to calculate a current NAV for the Fund.³

On February 22, 2021, IQCM and TAP, on behalf of the Fund, filed an application, pursuant to Section 22(e) of the Investment Company Act, with the SEC to suspend shareholder redemptions in the Fund as of February 19, 2021.⁴ The SEC approved the application the same day (the "SEC Order").⁵ The SEC Order required the TAP Board to create a plan for an orderly liquidation of Fund assets and develop a distribution plan to make appropriate payments to shareholders.⁶ Both plans were to be submitted to SEC staff and be implemented under the supervision of the SEC.⁷ The SEC Order also required TAP, on the Fund's behalf, to engage an independent third party to assist in determining the fair value of the Fund's OTC positions, including re-evaluating the historical valuations of the Fund.⁸

Consistent with the SEC Order, the TAP Board retained Russell Investments Implementation Services, LLC ("RIIS"), a registered investment adviser, to assist in the liquidation

² *See* Application of Infinity Q Diversified Alpha Fund and Infinity Q Capital Management, LLC for an Order pursuant to Section 22(e)(3) of the Investment Company Act of 1940 (Feb. 22, 2021), *available at*: <https://www.infinityqfundliquidation.com/cases/q%20proposal/sec%20application.pdf> ("Section 22(e) Application"), at 3.

³ *See id.*

⁴ *See generally* Section 22(e) Application.

⁵ *See* Notice of Application and a Temporary Order Under Section 22(e)(3) of the Investment Company Act of 1940 (Feb. 22, 2021), *available at*: <https://www.infinityqfundliquidation.com/cases/q%20proposal/sec%20order.pdf>.

⁶ *See id.* at 5.

⁷ *See id.* at 6.

⁸ *See id.*

March 30, 2023

Page 3

of the assets held by the Fund that were not already in cash or cash equivalents at the time of the SEC Order.⁹ On or about March 19, 2021, the liquidation of the Fund's assets was completed, which resulted in the Fund holding cash or cash equivalent assets of approximately \$1,249,395,877.¹⁰ In connection with the liquidation, the Fund paid RIIS approximately **\$850,000** in fees.¹¹

Pursuant to the SEC Order, the TAP Board retained Alvarez & Marsal Valuation Services, LLC ("A&M") to perform a re-evaluation of the Fund's February 18, 2021 NAV and the Fund's historical valuations.¹² A&M's analysis was required by the SEC Order and necessary for the Fund to determine when and to what extent the Fund's NAV was overstated. Based on its analysis, A&M determined that the Fund's OTC derivatives positions were overstated at each month-end date from February 2017 through January 31, 2021. In connection with the re-evaluation of the Fund's NAVs, the Fund paid A&M approximately **\$1,573,882** in fees.

As stated above, the SEC Order required the TAP Board to develop a plan of distribution to distribute the Fund's assets to shareholders under the supervision of the SEC (the "Distribution Plan"). In connection with the TAP Board's efforts to determine how much of the Fund's assets needed to be held in reserve to cover the Fund's own debts, obligations, and liabilities (the "Special Reserve"), the Fund's counsel retained Cornerstone Research ("Cornerstone") to develop reasonable estimates of the total amounts that the Fund may be liable to pay in damages to shareholders in pending securities class actions on account of transactions in the Fund's shares during the period in which the Fund's NAV was inflated.¹³

In November 2021, the TAP Board finalized the Distribution Plan, and the Fund made an interim distribution of approximately \$500 million, or about 40% of the Fund's gross assets, on a

⁹ See Infinity Q Diversified Alpha Fund Plan of Distribution of Assets (Nov. 8, 2021), *available at*: <https://www.infinityqfundliquidation.com/cases/q%20proposal/infinity%20q%20-%20amended%20plan%20of%20distribution%20final%2011-4-2021.pdf> ("Distribution Plan"), at 2.

¹⁰ *Id.* at 3. As of February 18, 2021, the last date on which the Fund calculated its NAV, the Fund's stated NAV based on valuations performed by Mr. Velissaris was \$1,727,194,949. As discussed herein, an independent third-party valuation consultant retained by the TAP Board calculated that the Fund's NAV as of February 18, 2021 should have been approximately \$1,334,262,392. Thus, while the Fund suffered a loss as a result of the liquidation of the Fund's assets—the difference between the as-liquidated value of the Fund's assets (\$1,249,395,877) was approximately \$84,866,515 *less* than the Fund's NAV on February 18, 2021 (\$1,334,262,392) as calculated by the valuation consultant—the amount of such loss attributable to the liquidation cannot reasonably be quantified. Although the Fund submits that Mr. Velissaris is responsible for such loss, because of the difficulty in quantifying the loss, the Fund is not seeking restitution on that basis.

¹¹ Although the Investment Advisory Agreement between IQCM and the Fund provides that IQCM is responsible for paying any costs of liquidating the Fund, IQCM rejected the Fund's demand that IQCM agree to pay the liquidation expenses. See Distribution Plan at 4.

¹² See *id.* at 3.

¹³ See *id.*

March 30, 2023

Page 4

pro rata basis to each shareholder as of February 18, 2021.¹⁴ The Fund used Cornerstone to calculate the amounts to be distributed to each shareholder (less an initial offset claim based on a shareholder's gain as a result of any redemptions of the Fund's shares at an inflated NAV). The Fund also paid "Redemption Claims" in accordance with the Distribution Plan and used Cornerstone to calculate the amounts to be distributed to those shareholders that had previously redeemed their shares but had not been paid. In April 2022, the TAP Board approved a second interim distribution of approximately \$170 million to the Fund's current shareholders, and the Fund again used Cornerstone to calculate the amounts to be distributed to shareholders. After making the second interim distributions, the Fund held approximately \$570 million in the Special Reserve to satisfy the Fund's liabilities.¹⁵ To date, the Fund has paid Cornerstone approximately **\$2,288,416** in fees in connection with the distribution of the Fund's assets.¹⁶

Separately, at the SLC's request, Cornerstone calculated the following based on A&M's re-evaluated historical NAVs for the Fund: (i) the net amount that the Fund overpaid former shareholders who fully redeemed their shares of the Fund at an inflated NAV (taking into account the amount the Fund received from those shareholders when they bought shares from the Fund at an inflated price); and (ii) the amount of management fees that the Fund overpaid to IQCM as a result of the inflated NAVs. Based on Cornerstone's calculations, between February 2017 and February 2021, the Fund incurred a net inflation loss of approximately **\$46,482,819** and paid approximately **\$7,485,202** in excess management fees to IQCM.¹⁷

¹⁴ See Shareholder Notice, *Infinity Q Diversified Alpha Fund Commences Interim Distribution of \$500 Million* (Nov. 8, 2021), available at:

https://www.infinityqfundliquidation.com/cases/q%20proposal/infinity%20q%20-%20fund_%20shareholder%20notice%20-%20initial%20distribution%20%28final%2011-8-2021%29.pdf.

¹⁵ See Shareholder Notice, *Infinity Q Diversified Alpha Fund Commences Second Distribution of \$170 Million* (Apr. 15, 2022), available at:

https://www.infinityqfundliquidation.com/cases/q%20proposal/iq%20fund_%20shareholder%20notice%20-%20second%20interim%20distribution%20%28april%202022%29.pdf.

¹⁶ On November 10, 2022, the SEC filed a settled civil action against the Fund that alleged that, as a result of Mr. Velissaris' mispricing of certain of the Fund's positions, the Fund violated Rule 22c-1 under the Investment Company Act of 1940, which governs the pricing of Fund shares. The settlement enjoined the Fund from further violations of Rule 22c-1, but imposed no financial penalties. As part of the settlement, the Fund consented to the appointment of a Special Master to, among other things, oversee the distribution of the Fund's remaining assets going forward. See Final Judgment on Consent, *SEC v. Infinity Q. Diversified Alpha Fund*, No. 22 Civ. 9608 (PKC) (S.D.N.Y. Nov. 17, 2022 (ECF 8)). As contemplated by the settlement, on January 10, 2023, Judge Castel entered a consent order appointing a Special Master. See Consented to Order Appointing Special Master, *SEC v. Infinity Q. Diversified Alpha Fund*, No. 22 Civ. 9608 (PKC) (S.D.N.Y. Jan. 10, 2023) (ECF 15).

¹⁷ Neither Mr. Velissaris nor IQCM has repaid the Fund for the excess management fees.

March 30, 2023

Page 5

On February 17, 2022, the Indictment in the above-captioned case was unsealed.¹⁸ Based on the fraudulent scheme to mismark the Fund’s OTC derivative positions, the Indictment charged Mr. Velissaris with one count of securities fraud, in violation of 15 U.S.C. §§ 78j(b) & 78ff and 17 C.F.R. § 240.10b-5; one count of investment adviser fraud, in violation of 15 U.S.C. §§ 80b-6 and 80b-17; and one count of wire fraud, in violation of 18 U.S.C. § 1343.¹⁹

On November 21, 2022, Mr. Velissaris pled guilty, pursuant to a plea agreement with the government, to Count One of the Indictment, which charged him with securities fraud. In the plea agreement dated November 20, 2022, Mr. Velissaris “agree[d] to make restitution in an amount ordered by the Court, pursuant to Title 18, United States Code, Sections 3663, 3663A, and 3664.”²⁰ At the change of plea hearing, Mr. Velissaris acknowledged that in addition to a term of imprisonment and other potential penalties that could result from his guilty plea, “there may also be requirements of forfeiture and restitution.”²¹ Mr. Velissaris consented to entry of a Preliminary Order of Forfeiture in the amount of \$22 million representing the proceeds traceable to the securities fraud offense that Mr. Velissaris personally obtained.²²

Applicable Law

Under the Victim and Witness Protection Act (“VWPA”), *see* 18 U.S.C. § 3663, a district court may—and under the Mandatory Victims Restitution Act (“MVRA”), *see* 18 U.S.C. § 3663A, a district court *must*—order restitution to victims who suffer a pecuniary harm as a result of certain offenses, including offenses against property committed by fraud or deceit.²³ The VWPA also

¹⁸ In connection with its participation in the government’s investigation of Mr. Velissaris, the Fund incurred attorneys’ fees paid to its outside counsel. Because most, if not all, of the attorneys’ fees incurred were in response to requests from the SEC, however, the Fund is not seeking restitution for those attorneys’ fees in light of the Second Circuit’s holding that only fees incurred in connection with the criminal investigation and prosecution of the defendant are eligible for restitution. *See United States v. Afriyie*, 27 F.4th 161, 173-74 (2d Cir. 2022).

¹⁹ The Indictment also charged Mr. Velissaris with making false statements to an accountant, in violation of 15 U.S.C. §§ 78ff, 80a-29, 7202 and 17 C.F.R. § 240.13b2-2; conspiracy to obstruct an SEC investigation, in violation of 18 U.S.C. § 371; and obstruction of an SEC investigation, in violation of 18 U.S.C. § 1519.

²⁰ Plea Agreement at 2.

²¹ Plea Transcript, *United States v. Velissaris*, No. 22 Cr. 105 (DLC) (S.D.N.Y. Nov. 21, 2022), at 9.

²² *Id.* at 16; *see also* Consent Preliminary Order of Forfeiture/Money Judgment, *United States v. Velissaris*, No. 22 Cr. 105 (DLC) (S.D.N.Y. Nov. 21, 2022) (ECF 66).

²³ It is an open question in the Second Circuit whether a district court can or must award restitution to victims where a defendant has been convicted solely of an offense under Title 15. *See United States v. Afriyie*, 27 F.4th 161, 166 n.1 (2d Cir. 2022) (noting that “[t]here is some disagreement in the district courts about whether securities fraud is a covered offense” under the VWPA and MVRA, but stating that the court “need not resolve this debate ... because the parties never raised it and because [the defendant] was also convicted of wire fraud”). Here, Mr. Velissaris, who was also charged with wire fraud, agreed in his plea agreement to pay restitution to victims in an amount to be determined by the district court, and

March 30, 2023

Page 6

provides that “[t]he court may also order restitution in any criminal case to the extent agreed to by the parties in a plea agreement.” 18 U.S.C. § 3663(a)(3).

For purposes of restitution, a “victim” means “a person directly and proximately harmed as a result of the commission of an offense,” including, in the case of an offense that involves as an element a “scheme” or “pattern of criminal activity,” “any person directly harmed by the defendant’s criminal conduct in the course of the scheme . . .” 18 U.S.C. § 3663(a)(2); *see also* 18 U.S.C. § 3663A(a)(2). The Second Circuit has found direct cause to be established where a defendant’s action was the “but for” cause of the harm. *United States v. Marino*, 654 F.3d 310, 322–23 (2d Cir. 2011). As to proximate cause, a court must consider “whether the harm alleged has a sufficiently close connection to the conduct at issue,” and the requirement may be satisfied where the harm was “foreseeable.” *Roberts v. United States*, 572 U.S. 639, 645 (2014) (internal quotation marks omitted); *accord United States v. Williams*, 811 F. App’x 690, 691 (2d Cir. 2020).

In the case of an offense resulting in loss of property, a victim is entitled to the return of the property or, if the return of the property is impossible, impractical, or inadequate, “an amount equal to the greater of (i) the value of the property on the date of the damage, loss, or destruction, or (ii) the value of the property on the date of sentencing, less the value . . . of any part of the property that is returned.” 18 U.S.C. § 3663(b)(1); *see also* 18 U.S.C. § 3663A(b)(1). In addition, a defendant may be ordered to “reimburse the victim for lost income and necessary . . . other expenses related to participation in the investigation or prosecution of the offense or attendance at proceedings related to the offense.” 18 U.S.C. § 3663(b)(4); *see also* 18 U.S.C. § 3663A(b)(4); *United States v. Afriyie*, 27 F.4th 161, 173–74 (2d Cir. 2022) (holding that “other expenses” include “attorneys’ fees [a victim] was required to incur to advance the investigation or prosecution of the offense” and “[t]he expenses a victim incurs while preparing for and participating in restitution proceedings”).

Discussion

The Fund was a victim of the years-long, massive valuation fraud that is the basis of Mr. Velissaris’ securities fraud conviction and is, therefore, entitled to restitution under the MVRA, VWPA, and plea agreement.

Mr. Velissaris’ fraud was the direct and proximate cause of the extensive pecuniary damages that the Fund has incurred, including: (i) a net inflation loss of **\$46,482,819** as a result of having overpaid former shareholders who fully redeemed their shares in the Fund at inflated NAVs; (ii) the payment of **\$7,485,202** in excess management fees to IQCM; and (iii) the Fund’s payment of **\$4,712,298** in fees to various service providers that the Fund had to retain in order to carry out, in accordance with the SEC Order, the liquidation of the Fund’s assets (RIIS), re-evaluation of the Fund’s historical NAVs (A&M), and distribution of the Fund’s assets to

subsequently affirmed his understanding of his obligation to pay restitution to victims during his change of plea hearing.

March 30, 2023

Page 7

shareholders (Cornerstone). Thus, the total amount of pecuniary damages incurred by the Fund is **\$58,680,319**.

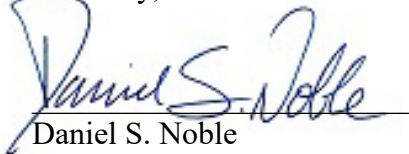
The Fund is entitled to restitution for these pecuniary damages because they would not have occurred “but for” Mr. Velissaris’ fraudulent misvaluation of the Fund’s OTC derivative positions. *Marino*, 654 F.3d at 322–23. Furthermore, Mr. Velissaris’ fraud was the proximate cause of the Fund’s pecuniary damages because they were the reasonably foreseeable result of Mr. Velissaris’ scheme. *Roberts*, 572 U.S. at 645; *Williams*, 811 F. App’x at 691. Mr. Velissaris knew, or reasonably should have known, that his massive mismarking scheme would cause the Fund to overpay both IQCM and redeeming shareholders, and that when the scheme was uncovered, such a massive fraud would necessarily cause the collapse and liquidation of the Fund. All of the ensuing costs that the liquidation, re-evaluation of the Fund’s NAVs, and distribution of the Fund’s assets entailed were the natural and foreseeable result of Mr. Velissaris’ fraud.

In addition to the pecuniary damages incurred by the Fund as a direct result of Mr. Velissaris’ fraud, the Fund has also incurred attorneys’ fees in connection with this restitution application for which it also seeks restitution. The Fund will provide the amount of attorneys’ fees incurred once that application has been decided.

Conclusion

For the foregoing reasons, the Fund respectfully requests that the Government seek restitution on behalf of the Fund for pecuniary damages in the amount of **\$58,680,319**, and attorneys’ fees for the Fund’s restitution application in an amount to be determined. In addition, the Fund requests that the Government provide a copy of this letter to the Court as a Victim Impact Statement. Should the government or the Court require documentation to support the amount of restitution sought herein, or any other information, the SLC, on behalf of the Fund, will provide it.

Sincerely,



Daniel S. Noble

Cc: David Slovick, Esq. (by email)
Erin Steele, Esq. (by email)
Michael Battle, Esq. (by email)
William Martin, Esq. (by email)

Attorneys for Defendant James Velissaris

EXHIBIT B



ATTORNEYS AT LAW

Daniel S. Noble
(203) 325-5090
dnoble@fdh.com

April 6, 2023

Margaret S. Graham, Esq.
Assistant U.S. Attorney
U.S. Attorney's Office
Southern District of New York
1 Saint Andrew's Plaza
New York, NY 10007

Re: United States v. James Velissaris, 22 Cr. 105 (DLC)

Dear AUSA Graham:

As you know, we represent the Special Litigation Committee ("SLC") of the Board of the Trust for Advised Portfolios ("TAP"), of which the Infinity Q Diversified Alpha Fund (the "Fund") is a series portfolio. We write to supplement our letter dated March 30, 2023 regarding the Fund's request for restitution in the above-captioned case.

Following the submission of our March 30 letter to the government, the SLC was advised by the Fund's administrator, U.S. Bancorp Fund Services, LLC ("USBFS"), that in addition to the \$1,573,882 in fees that the Fund paid to Alvarez & Marsal Valuation Services, LLC ("A&M") in connection with its re-evaluation of the Fund's historical net asset values ("NAVs"), the Fund also incurred **\$450,000** in expenses that were necessary for A&M's analysis. Specifically, USBFS had to acquire a license from Bloomberg for A&M to use the Bloomberg Valuation Services ("BVAL") pricing tool in order to perform its historical valuation analysis. The Fund, in turn, was required to reimburse USBFS for the fees paid to Bloomberg.

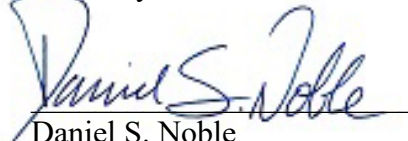
As discussed in our March 30 letter, the SLC, on behalf of the Fund, is also seeking restitution for attorneys' fees that the Fund has incurred in connection with its restitution application. *See United States v. Afriyie*, 27 F.4th 161, 173-74 (2d Cir. 2022) (holding that "other expenses" under the MVRA include "[t]he expenses a victim incurs while preparing for and participating in restitution proceedings"). To date, those attorneys' fees total **\$18,874**. The SLC reserves the right to seek additional attorneys' fees should the Fund incur such fees in connection with its preparation and participation in further restitution proceedings in this case.

April 6, 2023

Page 2

Again, should the government or the Court require documentation to support the amount of restitution sought by the Fund, or any other information, the SLC will provide it.

Sincerely,



Daniel S. Noble

Cc: David Slovick, Esq. (by email)
Erin Steele, Esq. (by email)
Michael Battle, Esq. (by email)
William Martin, Esq. (by email)

Attorneys for Defendant James Velissaris

EXHIBIT C

DAF Vendor Expenses

Fund Name	TF/Share Class	Vendor Invoice	Payee	GL Number	Star GL Name	Period Start Date	Period End Date	Frequency	Fixed/Variable	Non Corp Entity f	TotalAmount	Description	Date Entered	Payment Type
Infinity Q Diversified Alpha Fund	TF	20210430-52310-A	Russell Investments US Institutional Holdco Inc	20050000400	Accrued Advisor Fees (Fixed)	4/1/2021	4/30/2021	Monthly	Variable	Yes	100,000.00	4.30.21 Inv. Advisory Fee Client ID C14121001	6/24/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	20210331-52310-A	Russell Investments US Institutional Holdco Inc	20050000400	Accrued Advisor Fees (Fixed)	3/1/2021	3/31/2021	Monthly	Variable	Yes	750,000.00	3.31.21 Inv. Advisory Fee Client ID C14121001	4/27/2021	Domestic Wire
											850,000.00			
Infinity Q Diversified Alpha Fund	TF	829620 20220930310	Alvarez and Marsal Valuation Services LLC	20050000200	Accrued Other Expense (Fixed)	3/28/2022	8/10/2022	Various	Variable	Yes	13,125.00	Valuation services fees 3.28.22 thru 8.10.22	10/25/2022	ACH
Infinity Q Diversified Alpha Fund	TF	829620 220324145	Alvarez and Marsal Valuation Services LLC	20050000200	Accrued Other Expense (Fixed)	12/1/2021	3/23/2022	Monthly	Variable	Yes	137,891.25	Valuation services fees 12.1.21 thru 3.23.22	3/27/2022	ACH
Infinity Q Diversified Alpha Fund	TF	829620 20211216151	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	11/1/2021	11/30/2021	Monthly	Variable	Yes	45,307.50	Valuation services fees 11.1.21 thru 11.30.21	12/22/2021	ACH
Infinity Q Diversified Alpha Fund	TF	829620 20211216134	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	10/1/2021	10/31/2021	Monthly	Variable	Yes	117,993.75	Valuation services fees 10.1.21 thru 10.31.21	12/22/2021	ACH
Infinity Q Diversified Alpha Fund	TF	829620 20211001366	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	9/1/2021	9/30/2021	Monthly	Variable	Yes	328,135.59	Valuation services fees 9.1.21 thru 9.30.21	10/5/2021	ACH
Infinity Q Diversified Alpha Fund	TF	829620 20210909175	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	7/1/2021	8/31/2021	Various	Variable	Yes	263,865.00	Valuation services fees 7.1.21 thru 8.31.21	9/21/2021	ACH
Infinity Q Diversified Alpha Fund	TF	829620 210720711	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	5/8/2021	6/30/2021	Various	Variable	Yes	370,912.50	Valuation services fees 5.8.21 thru 6.30.21	7/26/2021	ACH
Infinity Q Diversified Alpha Fund	TF	829620-20210511	Alvarez and Marsal Valuation Services LLC	20050000400	Accrued Advisor Fees (Fixed)	5/27/2021	5/7/2021	Various	Variable	Yes	296,651.25	Valuation services fees through 5.7.21	5/26/2021	ACH
											1,573,881.84			
Infinity Q Diversified Alpha Fund	TF	101371	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	10/1/2022	10/31/2022	Monthly	Variable	No	43,994.50	October 2022 fees Infinity Q inv 101371	11/28/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	100677	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	9/1/2022	9/30/2022	Monthly	Variable	No	26,477.50	September 2022 fees Infinity Q inv 100677	10/25/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	100341	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	8/1/2022	8/31/2022	Monthly	Variable	No	96,808.50	August 2022 fees Infinity Q inv 100341	9/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	100340	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	8/1/2022	8/31/2022	Monthly	Variable	No	4,402.00	August 2022 fees Infinity Q inv100340	9/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	99577	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	7/1/2022	7/31/2022	Monthly	Variable	No	78,673.00	July 2022 fees Infinity Q inv 99577	8/28/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	99152	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	6/1/2022	6/30/2022	Monthly	Variable	No	104,907.00	June 2022 fees Infinity Q inv 99152	7/26/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	98513	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	5/1/2022	5/31/2022	Monthly	Variable	No	127,830.00	May 2022 fees Infinity Q inv 98513	6/22/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	98019	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	4/1/2022	4/30/2022	Monthly	Variable	No	95,060.50	April 2022 fees Infinity Q inv 98019	5/11/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	97452	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	3/1/2022	3/31/2022	Monthly	Variable	No	149,560.00	March 2022 fees Infinity Q inv 97452	4/6/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	97157	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	2/1/2022	2/28/2022	Monthly	Variable	No	53,666.00	February 2022 fees Infinity Q inv 97157	3/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	97156	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	2/1/2022	2/28/2022	Monthly	Variable	No	12,435.50	February 2022 fees Infinity Q inv 97156	3/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	96623	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	1/1/2022	1/31/2022	Monthly	Variable	No	5,144.00	January 2022 fees Infinity Q inv 96623	2/24/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	96622	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	1/1/2022	1/31/2022	Monthly	Variable	No	51,058.50	January 2022 fees Infinity Q inv 96622	2/24/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	96077	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	12/1/2021	12/31/2021	Monthly	Variable	No	50,672.00	December 2021 fees Infinity Q inv 96077	1/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	96076	Cornerstone Research Inc	20050000200	Accrued Other Expense (Fixed)	12/1/2021	12/31/2021	Monthly	Variable	No	159,630.00	December 2021 fees Infinity Q inv 96076	1/27/2022	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	95563	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	11/1/2021	11/30/2021	Monthly	Variable	No	230,775.00	November 2021 fees Infinity Q inv 95563	12/22/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	95090	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	10/1/2021	10/31/2021	Monthly	Variable	No	180,544.00	October 2021 fees Infinity Q inv 95090	11/18/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	95089	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	10/1/2021	10/31/2021	Monthly	Variable	No	6,727.50	October 2021 fees Infinity Q inv 95089	11/18/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	94556	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	9/1/2021	9/30/2021	Monthly	Variable	No	20,471.50	September 2021 fees Infinity Q inv 94556	11/18/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	94547	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	9/1/2021	9/30/2021	Monthly	Variable	No	117,499.00	September 2021 fees Infinity Q inv 94547	11/18/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	93875	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	8/1/2021	8/31/2021	Monthly	Variable	No	188,686.50	August 2021 fees Infinity Q inv 93875	9/21/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	93401	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	7/1/2021	7/31/2021	Various	Variable	No	156,474.00	July 2021 fees Infinity Q inv 93401	8/18/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	92866	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	6/1/2021	6/30/2021	Monthly	Variable	No	114,699.50	June 2021 fees Infinity Q inv 92866	7/26/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	91936	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	4/1/2021	4/30/2021	Monthly	Variable	No	47,325.00	April 2021 fees Infinity Q inv 91936	6/10/2021	Domestic Wire
Infinity Q Diversified Alpha Fund	TF	92458	Cornerstone Research Inc	20050000400	Accrued Advisor Fees (Fixed)	5/1/2021	5/31/2021	Monthly	Variable	No	164,894.50	May 2021 fees Infinity Q inv 92458	6/10/2021	Domestic Wire
											2,288,415.50			

EXHIBIT D

DAF Excess Management Fees

Infinity Q Diversified Alpha Fund
Estimated Monthly Management Fees

Month End	A&M BVAL based NAV	Calendar Days in Month	Monthly Fee Percentage ⁽¹⁾	Management Fees using A&M BVAL based NAV	Management Fees Paid by the Fund	Difference
	[a]	[b]	[c] = 1.7% * [b] / Days in Year	[d] = [a] * [c]	[e]	[f] = [e] - [d]
1/31/17	\$157,705,722	31	0.14%	\$227,701	\$223,484	-\$4,217
2/28/17	\$153,992,005	28	0.13%	\$200,822	\$204,032	\$3,209
3/31/17	\$150,494,337	31	0.14%	\$217,289	\$223,138	\$5,849
4/30/17	\$150,840,325	30	0.14%	\$210,763	\$216,325	\$5,562
5/31/17	\$151,952,834	31	0.14%	\$219,395	\$228,123	\$8,728
6/30/17	\$150,863,386	30	0.14%	\$210,795	\$224,884	\$14,088
7/31/17	\$154,162,102	31	0.14%	\$222,585	\$230,026	\$7,442
8/31/17	\$157,281,083	31	0.14%	\$227,088	\$235,533	\$8,445
9/30/17	\$159,481,674	30	0.14%	\$222,837	\$228,691	\$5,853
10/31/17	\$160,618,536	31	0.14%	\$231,907	\$240,748	\$8,842
11/30/17	\$163,339,241	30	0.14%	\$228,227	\$235,482	\$7,255
12/31/17	\$170,922,508	31	0.14%	\$246,784	\$247,160	\$376
1/31/18	\$167,978,317	31	0.14%	\$242,533	\$249,832	\$7,299
2/28/18	\$190,653,736	28	0.13%	\$248,633	\$233,614	-\$15,020
3/31/18	\$207,624,579	31	0.14%	\$299,776	\$295,265	-\$4,510
4/30/18	\$212,210,359	30	0.14%	\$296,513	\$299,245	\$2,732
5/31/18	\$219,914,365	31	0.14%	\$317,520	\$313,037	-\$4,483
6/30/18	\$226,903,459	30	0.14%	\$317,043	\$316,056	-\$987
7/31/18	\$277,073,663	31	0.14%	\$400,049	\$356,828	-\$43,221
8/31/18	\$301,904,307	31	0.14%	\$435,900	\$426,772	-\$9,129
9/30/18	\$305,244,214	30	0.14%	\$426,506	\$426,568	\$62
10/31/18	\$330,802,405	31	0.14%	\$477,624	\$470,211	-\$7,413
11/30/18	\$327,385,803	30	0.14%	\$457,443	\$482,469	\$25,026
12/31/18	\$407,733,741	31	0.14%	\$588,700	\$552,887	-\$35,813
1/31/19	\$483,971,324	31	0.14%	\$698,775	\$674,102	-\$24,673
2/28/19	\$503,541,368	28	0.13%	\$656,673	\$676,409	\$19,736
3/31/19	\$522,587,676	31	0.14%	\$754,531	\$780,059	\$25,528
4/30/19	\$529,844,230	30	0.14%	\$740,330	\$772,017	\$31,687
5/31/19	\$554,263,655	31	0.14%	\$800,266	\$810,991	\$10,725
6/30/19	\$577,016,402	30	0.14%	\$806,242	\$844,643	\$38,401
7/31/19	\$610,109,196	31	0.14%	\$880,897	\$927,726	\$46,829
8/31/19	\$628,851,896	31	0.14%	\$907,959	\$986,565	\$78,606
9/30/19	\$637,903,976	30	0.14%	\$891,318	\$969,817	\$78,499
10/31/19	\$643,257,037	31	0.14%	\$928,757	\$1,022,733	\$93,975
11/30/19	\$672,005,978	30	0.14%	\$938,967	\$1,028,609	\$89,641
12/31/19	\$675,803,617	31	0.14%	\$975,749	\$1,099,960	\$124,210
1/31/20	\$699,973,429	31	0.14%	\$1,007,885	\$1,123,490	\$115,605
2/29/20	\$666,659,534	29	0.13%	\$897,987	\$1,102,676	\$204,689

Infinity Q Diversified Alpha Fund Estimated Monthly Management Fees

Month End	A&M BVAL based NAV	Calendar Days in Month	Monthly Fee Percentage ^[1]	Management Fees using A&M BVAL based NAV	Management Fees Paid by the Fund	Difference
	[a]	[b]	[c] = 1.7% * [b] / Days in Year	[d] = [a] * [c]	[e]	[f] = [e] - [d]
3/31/20	\$604,102,066	31	0.14%	\$869,841	\$1,362,783	\$492,942
4/30/20	\$679,339,492	30	0.14%	\$946,621	\$1,552,061	\$605,440
5/31/20	\$764,558,435	31	0.14%	\$1,100,881	\$1,753,662	\$652,782
6/30/20	\$871,450,690	30	0.14%	\$1,214,317	\$1,826,896	\$612,580
7/31/20	\$949,631,603	31	0.14%	\$1,367,366	\$2,021,059	\$653,693
8/31/20	\$1,063,316,258	31	0.14%	\$1,531,059	\$2,149,127	\$618,068
9/30/20	\$1,142,723,614	30	0.14%	\$1,592,320	\$2,220,673	\$628,354
10/31/20	\$1,181,634,728	31	0.14%	\$1,701,425	\$2,394,362	\$692,937
11/30/20	\$1,267,669,718	30	0.14%	\$1,766,425	\$2,370,196	\$603,771
12/31/20	\$1,396,584,503	31	0.14%	\$2,010,929	\$2,464,385	\$453,456
1/31/21	\$1,351,829,415	31	0.14%	\$1,951,819	\$2,503,565	\$551,745
2/18/21	\$1,334,262,392	18	0.08%	\$1,118,587	\$1,777,543	\$658,956
Total				\$36,232,362	\$44,376,520	\$8,144,158
Total – Excluding Feb 21				\$35,113,775	\$42,598,977	\$7,485,202
Source: Alvarez&Marsal Infinity Q Portfolio Valuation dated August 11, 2022; Infinity Q Mgmt Fees 2017_2021.xlsx from U.S. Bank dated August 12, 2022						
Note:						
[1] Uses simple interest when calculating monthly fee percentage.						
Privileged and Confidential: Attorney Work Product						

EXHIBIT E

DAF Net Inflation Loss Calculation

Infinity Q Diversified Alpha Fund Summary of Gains for Former Shareholders^[1]					
	Inflation Gains ^[2]				
	Net Gains ^[3]	Gross Gains ^[4]			
Number of Accounts					
With Gains > \$0	10,759	12,824			
With Gains > \$50	8,909	9,179			
With Gains > \$100	8,096	8,348			
With Gains > \$1,000	3,866	4,120			
With Gains > \$5,000	1,162	1,274			
With Gains > \$10,000	575	612			
With Gains > \$50,000	86	90			
With Gains > \$100,000	44	46			
With Gains > \$400,000	9	9			
With Gains > \$500,000	9	9			
With Gains > \$1,000,000	4	4			
All Accounts with Positive Gains					
Total Gains	\$ 46,482,819.02	\$ 48,514,231.51	\$		
Maximum Gain	\$ 6,537,349.25	\$ 6,545,971.56	\$		
Average Gain	\$ 4,320.37	\$ 3,783.08	\$		
Median Gain	\$ 512.02	\$ 341.00	\$		
Source: Infinity Q Fund Trading Data; Apex Trading Data; Baird Trading Data; BNC National Bank Trading Data; BNY Trading Data; Cetera Trading Data; CIBC Trading Data; Charles Schwab Trading Data; Commerce Trust Company Trading Data; Davidson Trading Data; E-Trade Trading Data; Fidelity Trading Data; Fifth Third Bank Trading Data; First Midwest Trading Data; First Republic Trading Data; Glenmede Trading Data; Great Western Bank Trading Data; LPL Trading Data; Midwest Trust Trading Data; NATC Trading Data; RBC Trading Data; SEI Private Trust (#2039); SEI Private Trust (#2663); SEI Trust Trading Data; Stifel Trading Data; TDA Trading Data; UBS Trading Data; UMB Trading Data; <i>Refinitiv, Alvarez&Marsal</i>					
Note: [1] Uses Fund Data for transparent accounts and data provided by the respective dealers or custodians for non-transparent accounts when available. Data from the respective dealers or custodians provides disaggregated transaction records for these non-transparent accounts. [2] Inflation gains are equal to the difference between the dollar-amount inflation at sale and dollar-amount inflation at purchase, multiplied by the number of shares sold. Uses as month-end inflation the percentage difference in reported NAV and NAV estimated by Alvarez&Marsal ("Alvarez"). Percentage inflation before February 2017 is assumed to be zero. The month-end percentage inflation estimate is assumed to prevail over the whole month. Daily per share dollar inflation is equal to month-end percentage inflation multiplied by daily NAV per share. Derived using Alvarez inflation estimates provided on February 11, 2022. [3] Within the same account, gains are offset by losses. [4] Within the same account, gains are not offset by losses.					

EXHIBIT F

DAF Bloomberg Fees



Invoice Date: 05/20/2021
Invoice Number: 20210430-5125-A

Infinity Q
TAP Expenses
U.S. Bancorp Fund Services, LLC
2020 E. Financial Way
Suite 100
Glendora, CA 91741

Billing Period: 04/01/2021 to 04/30/2021

CURRENT INVOICE SUMMARY

Miscellaneous Charges	0.00
Miscellaneous Fees	300,000.00

TOTAL CURRENT AND PAST DUE

\$ 300,000.00

* See attached worksheet for calculation details

PLEASE ENCLOSE COPY OF INVOICE IN RETURN ENVELOPE

WIRE / ACH FUNDS TO:

U.S. Bank NA, 777 E. Wisconsin Avenue, Milwaukee, WI, 53202, US Bancorp Fund Services, LLC, ABA #: 075000022, Account #:
112924312
For Further Credit: US Bancorp Fund Services, LLC, 20210430-5125-A, Attn: Financial Reporting

MAIL REMITTANCES TO:

Financial Reporting
U.S. Bancorp Fund Services, LLC
777 East Wisconsin Avenue
Milwaukee, WI 53202

Investor Servicing
No Fees

Miscellaneous Fees:

Fee Description	Detail	Amount
Misc Service	BVAL one time fee of \$264k and \$36k for ongoing fee BVAL Derivatives service	\$ 300,000.00
Total Other Fees:		\$ 300,000.00
Total Amount Due:		\$ 300,000.00



Invoice Date: 01/03/2022
Invoice Number: 20211130-5125-A

Infinity Q
 TAP Expenses
 U.S. Bancorp Fund Services, LLC
 2020 E. Financial Way
 Suite 100
 Glendora, CA 91741

Billing Period: 11/01/2021 to 11/30/2021

CURRENT INVOICE SUMMARY

Miscellaneous Charges	0.00
Miscellaneous Fees	150,000.00

TOTAL CURRENT AND PAST DUE

\$ 150,000.00

* See attached worksheet for calculation details

PLEASE ENCLOSE COPY OF INVOICE IN RETURN ENVELOPE

WIRE / ACH FUNDS TO:

U.S. Bank NA, 777 E. Wisconsin Avenue, Milwaukee, WI, 53202, US Bancorp Fund Services, LLC, ABA #: 075000022, Account #:
 112924312
 For Further Credit: US Bancorp Fund Services, LLC, 20211130-5125-A, Attn: Financial Reporting

MAIL REMITTANCES TO:

Financial Reporting
 U.S. Bancorp Fund Services, LLC
 777 East Wisconsin Avenue
 Milwaukee, WI 53202

Investor Servicing
No Fees

Miscellaneous Fees:

Fee Description	Detail	Amount
Misc Service	BVAL One Time Fee for Ongoing Fee BVAL Derivatives Service	\$ 150,000.00
Total Other Fees:		\$ 150,000.00
Total Amount Due:		\$ 150,000.00

EXHIBIT G

DAF Legal Fees



SILAND RKSQUARE, STAMFORD, CT 06901-2704
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Special Litigation Committee for the Board
Trust for Advised Portfolios c/o US Bank Global Fund Service
2020 E. Financial Way
Ste 100
Glendora, CA 91741

April 19, 2023
Matter #: 62772.001

SUMMARY OF INVOICE # 171280

For Services Rendered through March 1, 2023
In connection with FDH Representation

Fees for Legal Services	██████████
Costs and Disbursements	██████████
TOTAL DUE WITH THIS INVOICE	██████████

Wire Transfer and ACH Instructions

Date	TKPR	Description	Hrs	Fees
01/01/2018	0001	Initial consultation and site visit	2.00	\$1,000.00
01/02/2018	0002	Review of project plans and specifications	1.50	\$750.00
01/03/2018	0003	Preparation of detailed design drawings	3.00	\$1,500.00
01/04/2018	0004	Client meeting to discuss design progress	1.00	\$500.00
01/05/2018	0005	Finalization of design drawings and specifications	2.50	\$1,250.00
01/06/2018	0006	Obtaining necessary permits and approvals	1.00	\$500.00
01/07/2018	0007	Site preparation and clearing	4.00	\$2,000.00
01/08/2018	0008	Foundation work and structural steel erection	3.00	\$1,500.00
01/09/2018	0009	Installation of exterior walls and roof structure	2.00	\$1,000.00
01/10/2018	0010	Interior partitioning and ceiling installation	1.50	\$750.00
01/11/2018	0011	Electrical and plumbing rough-in	2.00	\$1,000.00
01/12/2018	0012	Installation of drywall and paint	2.50	\$1,250.00
01/13/2018	0013	Final inspection and project completion	1.00	\$500.00
01/14/2018	0014	Post-project follow-up and client satisfaction survey	0.50	\$250.00
01/15/2018	0015	Architectural rendering and presentation	1.00	\$500.00
01/16/2018	0016	Site analysis and environmental impact study	1.50	\$750.00
01/17/2018	0017	Conceptual design and preliminary plans	1.00	\$500.00
01/18/2018	0018	Client meeting to discuss project goals and objectives	1.00	\$500.00
01/19/2018	0019	Site visit to assess existing conditions	1.00	\$500.00
01/20/2018	0020	Preparation of project charter and scope of work	1.00	\$500.00
01/21/2018	0021	Initial client meeting and project kickoff	1.00	\$500.00
01/22/2018	0022	Site visit to assess existing conditions	1.00	\$500.00
01/23/2018	0023	Preparation of project charter and scope of work	1.00	\$500.00
01/24/2018	0024	Initial client meeting and project kickoff	1.00	\$500.00
01/25/2018	0025	Site visit to assess existing conditions	1.00	\$500.00
01/26/2018	0026	Preparation of project charter and scope of work	1.00	\$500.00
01/27/2018	0027	Initial client meeting and project kickoff	1.00	\$500.00
01/28/2018	0028	Site visit to assess existing conditions	1.00	\$500.00
01/29/2018	0029	Preparation of project charter and scope of work	1.00	\$500.00
01/30/2018	0030	Initial client meeting and project kickoff	1.00	\$500.00
01/31/2018	0031	Site visit to assess existing conditions	1.00	\$500.00
01/32/2018	0032	Preparation of project charter and scope of work	1.00	\$500.00
01/33/2018	0033	Initial client meeting and project kickoff	1.00	\$500.00
01/34/2018	0034	Site visit to assess existing conditions	1.00	\$500.00
01/35/2018	0035	Preparation of project charter and scope of work	1.00	\$500.00
01/36/2018	0036	Initial client meeting and project kickoff	1.00	\$500.00
01/37/2018	0037	Site visit to assess existing conditions	1.00	\$500.00
01/38/2018	0038	Preparation of project charter and scope of work	1.00	\$500.00
01/39/2018	0039	Initial client meeting and project kickoff	1.00	\$500.00
01/40/2018	0040	Site visit to assess existing conditions	1.00	\$500.00
01/41/2018	0041	Preparation of project charter and scope of work	1.00	\$500.00
01/42/2018	0042	Initial client meeting and project kickoff	1.00	\$500.00
01/43/2018	0043	Site visit to assess existing conditions	1.00	\$500.00
01/44/2018	0044	Preparation of project charter and scope of work	1.00	\$500.00
01/45/2018	0045	Initial client meeting and project kickoff	1.00	\$500.00
01/46/2018	0046	Site visit to assess existing conditions	1.00	\$500.00
01/47/2018	0047	Preparation of project charter and scope of work	1.00	\$500.00
01/48/2018	0048	Initial client meeting and project kickoff	1.00	\$500.00
01/49/2018	0049	Site visit to assess existing conditions	1.00	\$500.00
01/50/2018	0050	Preparation of project charter and scope of work	1.00	\$500.00
01/51/2018	0051	Initial client meeting and project kickoff	1.00	\$500.00
01/52/2018	0052	Site visit to assess existing conditions	1.00	\$500.00
01/53/2018	0053	Preparation of project charter and scope of work	1.00	\$500.00
01/54/2018	0054	Initial client meeting and project kickoff	1.00	\$500.00
01/55/2018	0055	Site visit to assess existing conditions	1.00	\$500.00
01/56/2018	0056	Preparation of project charter and scope of work	1.00	\$500.00
01/57/2018	0057	Initial client meeting and project kickoff	1.00	\$500.00
01/58/2018	0058	Site visit to assess existing conditions	1.00	\$500.00
01/59/2018	0059	Preparation of project charter and scope of work	1.00	\$500.00
01/60/2018	0060	Initial client meeting and project kickoff	1.00	\$500.00
01/61/2018	0061	Site visit to assess existing conditions	1.00	\$500.00
01/62/2018	0062	Preparation of project charter and scope of work	1.00	\$500.00
01/63/2018	0063	Initial client meeting and project kickoff	1.00	\$500.00
01/64/2018	0064	Site visit to assess existing conditions	1.00	\$500.00
01/65/2018	0065	Preparation of project charter and scope of work	1.00	\$500.00
01/66/2018	0066	Initial client meeting and project kickoff	1.00	\$500.00
01/67/2018				

FDH

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Matter #: 62772.001

[illegible]

Invoice # 171280
April 19, 2023
Page 6

Matter #: 62772.001

[illegible]

Special Litigation Committee for the Boa
 Trust for Advised Portfolios c/o US Bank Global Fund Service
 2020 E. Financial Way
 Ste 100
 Glendora, CA 91741

Invoice # 171280
 April 19, 2023
 Page 7

For Services Rendered Through March 31, 2023

Matter #: 62772.001

Velissaris re: Fund's restitution application

03/31/23	DSN	Correspondence with Margaret Graham re: Velissaris Restitution Application/Victim Impact Statement	0.10	82.50
03/31/23	DSN	Review Government's Sentencing Memorandum in US v. Velissaris	0.40	330.00
03/31/23	DSN	Correspondence with SLC re: Fund's application for restitution from Velissaris and Government's sentencing memo	0.10	82.50

TOTAL FEES

COSTS AND DISBURSEMENTS

Total Costs and Disbursements



ATTORNEYS AT LAW

Special Litigation Committee for the Boa
Trust for Advised Portfolios c/o US Bank Global Fund Service
2020 E. Financial Way
Ste 100
Glendora, CA 91741

February 17, 2023
Matter #: 62772.001

SUMMARY OF INVOICE # 170416

For Services Rendered January 10 - January 31, 2023
In connection with FDH Representation

Fees for Legal Services
Costs and Disbursements

[REDACTED]
[REDACTED]

TOTAL DUE WITH THIS INVOICE

[REDACTED]

Wire Transfer and ACH Instructions

[REDACTED]
[REDACTED]
[REDACTED]

Matter #: 62772.001

[illegible]

Matter #: 62772.001

[illegible]

Special Litigation Committee for the Boa
 Trust for Advised Portfolios c/o US Bank Global Fund Service
 2020 E. Financial Way
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 Glendora, CA 91741

Invoice # 170416
 February 17, 2023
 Page 4

For Services Rendered Through January 31, 2023

Matter #: 62772.001

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
01/25/23	BMA	Call with Susan DiCicco and Dan Tehrani re: application for restitution in Velissaris criminal action (0.5).	2.10	1,302.00
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
01/25/23	DSN	Zoom with counsel for TAP and SLC re: Velissaris restitution	0.50	412.50
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
01/27/23	DSN	Review Transcript of Velissaris Guilty Plea	0.10	82.50
01/27/23	DSN	Correspondence with Graham, Margaret (USANYS), Tracer, Daniel (USANYS)	0.50	412.50
01/27/23	DSN	Correspondence with Tehrani, Daniel B., Andrew Calamari, John Siciliano, Benjamin Arrow	0.30	247.50
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Matter #: 62772.001

[illegible]

Category	Amount
Total Costs	\$1,000,000
Total Disbursements	\$800,000
Total Costs less Disbursements	\$200,000
Total Disbursements less Total Costs	\$200,000
Total Costs less Total Disbursements	\$200,000



SIX LANDMARK SQUARE, STAMFORD, CT 06901-2704
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2020 E. Financial Way
Ste 100
Glendora, CA 91741

May 22, 2023
Matter #: 62772.001

SUMMARY OF INVOICE # 171780

For Services Rendered through April 30, 2023
In connection with FDH Representation

Fees for Legal Services	[REDACTED]
Costs and Disbursements	[REDACTED]
TOTAL DUE WITH THIS INVOICE	[REDACTED]

Wire Transfer and ACH Instructions

[REDACTED]

[illegible]

Page 3

[illegible]

114

Special Litigation Committee for the Boa
Trust for Advised Portfolios c/o US Bank Global Fund Service
2020 E. Financial Way
Ste 100
Glendora, CA 91741

Invoice # 171780
May 22, 2023
Page 5

For Services Rendered Through April 30, 2023

Matter #: 62772.001



Total Costs and Disbursements



EXHIBIT H

**(to be filed under seal) filed
under seal)**